

# AMITE COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports  
For the Year Ended September 30, 2011

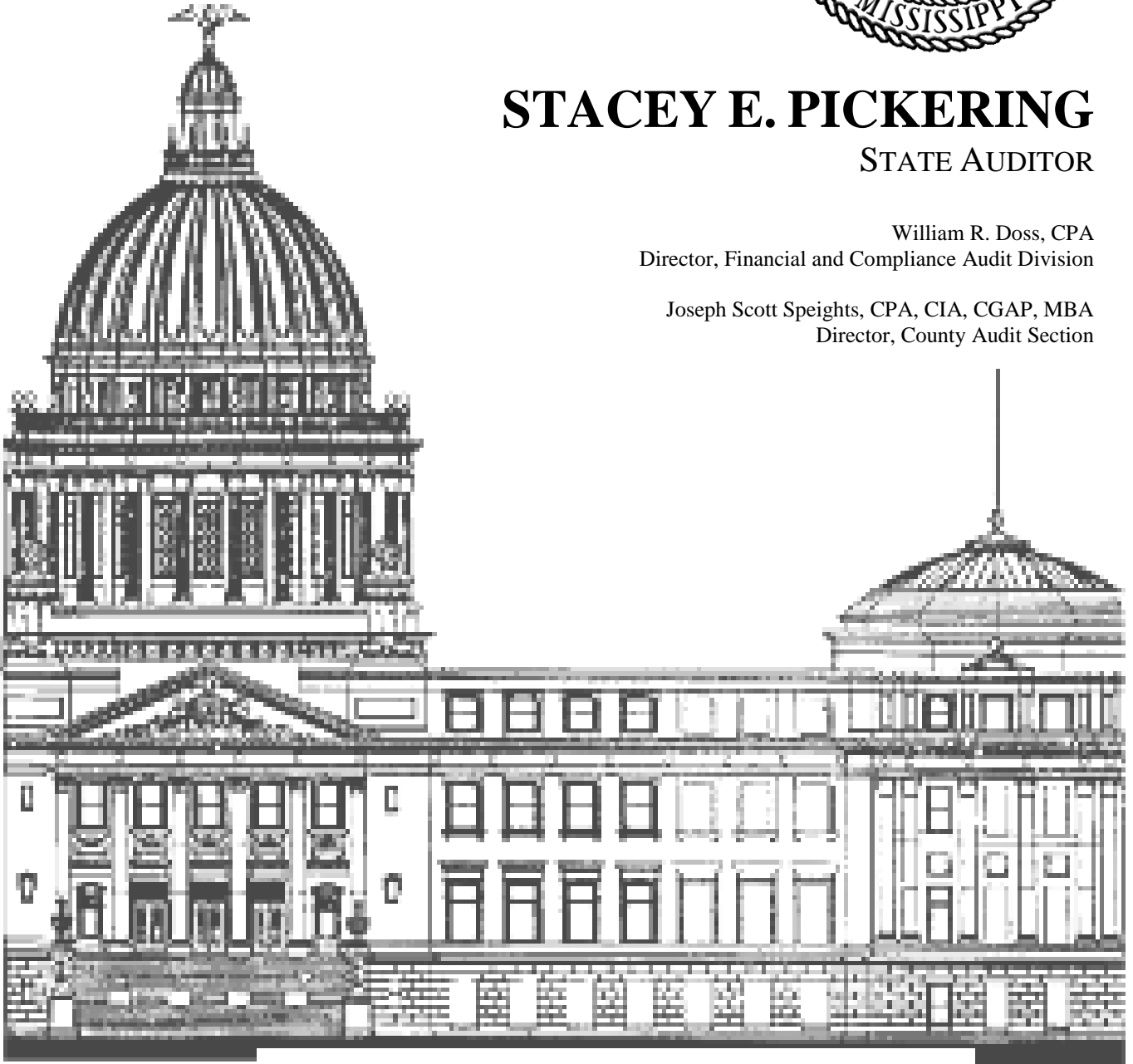


## STACEY E. PICKERING

STATE AUDITOR

William R. Doss, CPA  
Director, Financial and Compliance Audit Division

Joseph Scott Speights, CPA, CIA, CGAP, MBA  
Director, County Audit Section



A Report from the County Audit Section

[www.osa.state.ms.us](http://www.osa.state.ms.us)









**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

September 28, 2012

Members of the Board of Supervisors  
Amite County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2011 financial and compliance audit report for Amite County. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

I appreciate the cooperation and courtesy extended by the officials and employees of Amite County throughout the audit. Thank you for working to move Mississippi forward by serving as a supervisor for Amite County. If I or this office can be of any further assistance, please contact me or J. Scott Speights of my staff at (601) 576-2674.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stacey E. Pickering", is written over a horizontal line.

Stacey E. Pickering  
State Auditor



AMITE COUNTY

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AMITE COUNTY

FINANCIAL SECTION

AMITE COUNTY

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

**INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Supervisors  
Amite County, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Amite County, Mississippi, as of and for the year ended September 30, 2011, which collectively comprise the county's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the county's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

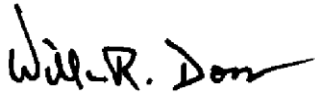
In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Amite County, Mississippi, as of September 30, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* as of October 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2012, on our consideration of Amite County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Amite County, Mississippi, has not presented Management's Discussion and Analysis that is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board.

The Budgetary Comparison Schedule and corresponding notes is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

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WILLIAM R. DOSS, CPA  
Director, Financial and Compliance Audit Division

September 28, 2012

AMITE COUNTY

FINANCIAL STATEMENTS

AMITE COUNTY

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AMITE COUNTY  
Statement of Net Assets  
September 30, 2011

Exhibit 1

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash	\$ 4,370,918	1,113,763	5,484,681
Property tax receivable	2,888,800		2,888,800
Accounts receivable (net of allowance for uncollectibles of \$263,709)		275,634	275,634
Fines receivable (net of allowance for uncollectibles of \$734,440)	517,383		517,383
Intergovernmental receivables	77,797		77,797
Other receivables	645		645
Internal balances	14,149	(14,149)	
Capital assets:			
Land	114,552	105,547	220,099
Other capital assets, net	3,366,080	333,384	3,699,464
Total Assets	<u>11,350,324</u>	<u>1,814,179</u>	<u>13,164,503</u>
LIABILITIES			
Claims payable	284,031	33,038	317,069
Intergovernmental payables	107,549		107,549
Deferred revenue	2,888,800		2,888,800
Unearned revenue		98,312	98,312
Other payables	45,671		45,671
Long-term liabilities			
Due within one year:			
Capital debt	76,024		76,024
Due in more than one year:			
Non-capital debt	29,564	3,673	33,237
Total Liabilities	<u>3,431,639</u>	<u>135,023</u>	<u>3,566,662</u>
NET ASSETS			
Invested in capital assets, net of related debt	3,404,608	438,931	3,843,539
Restricted:			
Expendable:			
General government	96,846		96,846
Debt service	71,854		71,854
Public safety	450,794		450,794
Public works	1,069,921	1,240,225	2,310,146
Culture and recreation	37,680		37,680
Unemployment compensation	85,888		85,888
Unrestricted	2,701,094		2,701,094
Total Net Assets	<u>\$ 7,918,685</u>	<u>1,679,156</u>	<u>9,597,841</u>

The notes to the financial statements are an integral part of this statement.

AMITE COUNTY  
Statement of Activities  
For the Year Ended September 30, 2011

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 1,990,984	542,436	6,159		(1,442,389)		(1,442,389)
Public safety	1,361,654	212,133	99,076	24,413	(1,026,032)		(1,026,032)
Public works	2,691,782		741,567	110,659	(1,839,556)		(1,839,556)
Health and welfare	120,185		23,718		(96,467)		(96,467)
Culture and recreation	92,641				(92,641)		(92,641)
Conservation of natural resources	68,661		253,250		184,589		184,589
Economic development and assistance	22,252				(22,252)		(22,252)
Interest on long-term debt	8,378				(8,378)		(8,378)
Total Governmental Activities	<u>6,356,537</u>	<u>754,569</u>	<u>1,123,770</u>	<u>135,072</u>	<u>(4,343,126)</u>		<u>(4,343,126)</u>
Business-type activities:							
Solid Waste	698,864	742,172	22,461			65,769	65,769
Total Primary Government	<u>\$ 7,055,401</u>	<u>1,496,741</u>	<u>1,146,231</u>	<u>135,072</u>	<u>(4,343,126)</u>	<u>65,769</u>	<u>(4,277,357)</u>
General revenues:							
Property taxes					\$ 3,124,592		3,124,592
Road & bridge privilege taxes					192,731		192,731
Grants and contributions not restricted to specific programs					720,414		720,414
Unrestricted interest income					45,412	9,097	54,509
Miscellaneous					80,785	61,159	141,944
Total General Revenues					<u>4,163,934</u>	<u>70,256</u>	<u>4,234,190</u>
Changes in Net Assets					<u>(179,192)</u>	<u>136,025</u>	<u>(43,167)</u>
Net Assets - Beginning as previously reported					7,829,239	1,539,703	9,368,942
Prior period adjustments					268,638	3,428	272,066
Net Assets - Beginning, as restated					<u>8,097,877</u>	<u>1,543,131</u>	<u>9,641,008</u>
Net Assets - Ending					<u>\$ 7,918,685</u>	<u>1,679,156</u>	<u>9,597,841</u>

The notes to the financial statements are an integral part of this statement.



AMITE COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2011

Exhibit 3

	Major Funds		
	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash	\$ 2,472,849	1,898,069	4,370,918
Property tax receivable	1,816,400	1,072,400	2,888,800
Fines receivable (net of allowance for uncollectibles of \$734,440)	517,383		517,383
Intergovernmental receivables	77,797		77,797
Other receivables	645		645
Due from other funds	7,441	35,709	43,150
Advances to other funds	6,708		6,708
Total Assets	\$ 4,899,223	3,006,178	7,905,401
LIABILITIES AND FUND BALANCES			
Liabilities:			
Claims payable	\$ 163,236	120,795	284,031
Intergovernmental payables	100,746		100,746
Due to other funds	42,512		42,512
Deferred revenue	2,333,783	1,072,400	3,406,183
Other payables	45,671		45,671
Total Liabilities	2,685,948	1,193,195	3,879,143
Fund balances:			
Nonspendable:			
Advances	6,708		6,708
Restricted for:			
General Government		96,846	96,846
Public safety		450,794	450,794
Public works		1,069,921	1,069,921
Culture and recreation		37,680	37,680
Debt service		71,854	71,854
Unemployment compensation		85,888	85,888
Unassigned	2,206,567		2,206,567
Total Fund Balances	2,213,275	1,812,983	4,026,258
Total Liabilities and Fund Balances	\$ 4,899,223	3,006,178	7,905,401

The notes to the financial statements are an integral part of this statement.

## AMITE COUNTY

Exhibit 3-1Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets  
September 30, 2011

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 4,026,258
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$6,682,118.	3,480,632
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	517,383
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(105,588)</u>
Total Net Assets - Governmental Activities	\$ <u><u>7,918,685</u></u>

The notes to the financial statements are an integral part of this statement.

## AMITE COUNTY

Exhibit 4

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the Year Ended September 30, 2011

	<u>Major Funds</u>		
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Property taxes	\$ 1,988,040	1,136,552	3,124,592
Road and bridge privilege taxes		192,731	192,731
Licenses, commissions and other revenue	138,039	5,570	143,609
Fines and forfeitures	341,486	444	341,930
Intergovernmental revenues	609,035	1,370,159	1,979,194
Charges for services	51,949	133,473	185,422
Interest income	28,773	16,639	45,412
Miscellaneous revenues	32,556	48,229	80,785
Total Revenues	<u>3,189,878</u>	<u>2,903,797</u>	<u>6,093,675</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,855,787	82,764	1,938,551
Public safety	1,103,595	171,593	1,275,188
Public works		2,544,671	2,544,671
Health and welfare	120,185		120,185
Culture and recreation	92,204	375	92,579
Conservation of natural resources	67,921		67,921
Economic development and assistance	19,752	2,500	22,252
Debt service:			
Principal	72,164	88,626	160,790
Interest	7,928	450	8,378
Total Expenditures	<u>3,339,536</u>	<u>2,890,979</u>	<u>6,230,515</u>
Excess of Revenues over (under) Expenditures	<u>(149,658)</u>	<u>12,818</u>	<u>(136,840)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		281,446	281,446
Transfers out		(281,446)	(281,446)
Total Other Financing Sources and Uses	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	(149,658)	12,818	(136,840)
Fund Balances - Beginning	<u>2,362,933</u>	<u>1,800,165</u>	<u>4,163,098</u>
Fund Balances - Ending	<u>\$ 2,213,275</u>	<u>1,812,983</u>	<u>4,026,258</u>

The notes to the financial statements are an integral part of this statement.

## AMITE COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2011

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ (136,840)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net assets differs from the change in fund balances by the amount that capital outlays of \$11,410 were exceeded by depreciation of \$295,425 in the current period.	(284,015)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net assets differs from the change in fund balances by the amount of the net loss of \$3,565.	(3,565)
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	83,608
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Thus, the change in net assets differs from the change in fund balances by the amount of debt repayments of \$160,790.	160,790
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. Thus, the change in net assets differs from the change in fund balances by the decrease in compensated absences	<u>830</u>
Change in Net Assets of Governmental Activities	\$ <u><u>(179,192)</u></u>

The notes to the financial statements are an integral part of this statement.

AMITE COUNTY  
Statement of Net Assets - Proprietary Fund  
September 30, 2011

Exhibit 5

	Business-type Activities Enterprise Fund	Solid Waste Services Fund
ASSETS		
Current assets:		
Cash	\$	1,113,763
Accounts receivable (net of allowance for uncollectibles of \$263,709)		275,634
Total Current Assets		1,389,397
Noncurrent assets:		
Capital assets:		
Land		105,547
Other capital assets, net		333,384
Total Noncurrent Assets		438,931
Total Assets		1,828,328
LIABILITIES		
Current liabilities:		
Claims payable		33,038
Due to other funds		7,441
Advances from other funds		6,708
Unearned revenue		98,312
Total Current Liabilities		145,499
Noncurrent liabilities:		
Non-capital debt:		
Compensated absences payable		3,673
Total Noncurrent Liabilities		3,673
Total Liabilities		149,172
NET ASSETS		
Invested in capital assets		438,931
Restricted for:		
Public works		1,240,225
Total Net Assets	\$	1,679,156

The notes to the financial statements are an integral part of this statement.

## AMITE COUNTY

Exhibit 6Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Fund  
For the Year Ended September 30, 2011

	Business-type Activities - Enterprise Fund
	Solid Waste Services Fund
Operating Revenues	
Charges for services	\$ 742,172
Miscellaneous	61,159
Total Operating Revenues	<u>803,331</u>
Operating Expenses	
Personal services	327,748
Contractual services	131,685
Materials and supplies	156,761
Depreciation expense	75,229
Indirect administrative cost	7,441
Total Operating Expenses	<u>698,864</u>
Operating Income (Loss)	<u>104,467</u>
Nonoperating Revenues (Expenses)	
Interest income	9,097
Intergovernmental grants	22,461
Net Nonoperating Revenue (Expenses)	<u>31,558</u>
Changes in Net Assets	<u>136,025</u>
Net Assets - Beginning, as previously reported	1,539,703
Prior period adjustment	3,428
Net Assets - Beginning, as restated	<u>1,543,131</u>
Net Assets - Ending	\$ <u><u>1,679,156</u></u>

The notes to the financial statements are an integral part of this statement.

AMITE COUNTY  
Statement of Cash Flows - Proprietary Fund  
For the Year Ended September 30, 2011

Exhibit 7

	Business-type Activities - Enterprise Fund
	Solid Waste Services Fund
Cash Flows From Operating Activities	
Receipts from customers	\$ 704,504
Payments to suppliers	(280,082)
Payments to employees	(330,531)
Other operating cash receipts	61,159
Net Cash Provided (Used) by Operating Activities	155,050
Cash Flows From Noncapital Financing Activities	
Intergovernmental grants received	22,461
Net Cash Provided (Used) by Noncapital Financing Activities	22,461
Cash Flows From Capital and Related Financing Activities	
Acquisition and construction of capital assets	(10,590)
Net Cash Provided (Used) by Capital and Related Financing Activities	(10,590)
Cash Flows From Investing Activities	
Interest on deposits	9,097
Net Cash Provided (Used) by Investing Activities	9,097
Net Increase (Decrease) in Cash and Cash Equivalents	176,018
Cash and Cash Equivalents at Beginning of Year	937,745
Cash and Cash Equivalents at End of Year	\$ 1,113,763
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ 104,467
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	75,229
Provision for uncollectible accounts	42,551
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(85,490)
Increase (decrease) in claims payable	8,319
Increase (decrease) in compensated absences liability	(2,738)
Increase (decrease) in unearned revenue	5,271
Increase (decrease) in interfund payables	7,441
Total Adjustments	50,583
Net Cash Provided (Used) by Operating Activities	\$ 155,050

The notes to the financial statements are an integral part of this statement.

AMITE COUNTY  
Statement of Fiduciary Assets and Liabilities  
September 30, 2011

Exhibit 8

	Agency Funds
ASSETS	
Cash	\$ 33,552
Due from other funds	6,803
Total Assets	\$ <u>40,355</u>
LIABILITIES	
Intergovernmental payables	\$ 40,355
Total Liabilities	\$ <u>40,355</u>

The notes to the financial statements are an integral part of this statement.



## AMITE COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2010

#### (1) Summary of Significant Accounting Policies.

##### A. Financial Reporting Entity.

Amite County is a political subdivision of the State of Mississippi. The county is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require Amite County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the county. There are no outside organizations that should be included as component units of the county's reporting entity.

State law pertaining to county government provides for the independent election of county officials. The following elected and appointed officials are all part of the county legal entity and therefore are reported as part of the primary government financial statements.

- Board of Supervisors
- Chancery Clerk
- Circuit Clerk
- Justice Court Clerk
- Purchase Clerk
- Tax Assessor-Collector
- Sheriff

##### B. Basis of Presentation.

The county's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, fund financial statements and accompanying note disclosures which provide a detailed level of financial information.

##### Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information concerning the county as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support.

The Statement of Net Assets presents the financial condition of the governmental activities and business-type activities of the county at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the county's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues, are presented as general revenues of the county, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general revenues of the county.

## AMITE COUNTY

### Notes to the Financial Statements For the Year Ended September 30, 2011

#### Fund Financial Statements:

Fund financial statements of the county are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into governmental, proprietary and fiduciary. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

#### C. Measurement Focus and Basis of Accounting.

The Government-wide, Proprietary Funds and Fiduciary Funds (excluding agency funds) financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the county. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied. Agency funds have no measurement focus, but use the accrual basis of accounting.

The county's Proprietary Funds apply all applicable Governmental Accounting Standards Board (GASB) pronouncements and only the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

The revenues and expenses of Proprietary Funds are classified as operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's primary operations. All other revenues and expenses are reported as nonoperating.

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The county reports the following major Governmental Fund:

General Fund - This fund is used to account for and report all financial resources not accounted for and reported in another fund.

The county reports the following major Enterprise Fund:

Solid Waste Services Fund - This fund is used to account for the county's activities of disposal of solid waste within the county.

## AMITE COUNTY

### Notes to the Financial Statements For the Year Ended September 30, 2011

Additionally, the county reports the following fund types:

#### GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

#### PROPRIETARY FUND TYPE

Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the county has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

#### FIDUCIARY FUND TYPE

Agency Funds - These funds account for various taxes, deposits and other monies collected or held by the county, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

#### D. Account Classifications.

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2005 by the Government Finance Officers Association.

#### E. Deposits and Investments.

State law authorizes the county to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any county, municipality or school district of this state. Further, the county may invest in certain repurchase agreements.

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value. However, the county did not invest in any governmental securities during the fiscal year.

#### F. Receivables.

Receivables are reported net of allowances for uncollectible accounts, where applicable.

#### G. Interfund Transactions and Balances.

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Interfund receivables and-payables between funds within governmental activities are eliminated in the Statement of Net Assets. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

# AMITE COUNTY

## Notes to the Financial Statements For the Year Ended September 30, 2011

### H. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the (applicable) governmental-or business-type activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, costs have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

Governmental accounting and financial reporting standards allow governments meeting certain criteria to elect not to report major general infrastructure assets retroactively. Amite County meets this criteria and has so elected. Therefore, the major general infrastructure assets acquired prior to October 1, 2002, are not reported in the government-wide financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2002.

Capital assets acquired or constructed for Proprietary Fund operations are capitalized at cost in the respective funds in which they are utilized. No interest is capitalized on self-constructed assets because noncapitalization of interest does not have a material effect on the county's financial statements. Donated capital assets are recorded at their fair value at the time of donation.

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives are used to report capital assets in the government-wide statements and Proprietary Funds. Depreciation is calculated on the straight-line basis for all assets, except land. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year. The following schedule details those thresholds and estimated useful lives:

	Capitalization Thresholds	Estimated Useful Life
Land	\$ 0	N/A
Infrastructure	0	20-50 years
Buildings	50,000	40 years
Mobile equipment	5,000	5-10 years
Furniture and equipment	5,000	3-7 years
Leased property under capital leases	*	*

\* Leased property capitalization policy and estimated useful life will correspond with the amounts for the asset classification, as listed above.

### I. Long-term Liabilities.

Long-term liabilities are the unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on lease-purchase agreements and other commitments.

In the government-wide financial statements and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or Proprietary Funds Statement of Net Assets.

## AMITE COUNTY

### Notes to the Financial Statements For the Year Ended September 30, 2011

#### J. Equity Classifications.

##### Government-wide Financial Statements:

Equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

Restricted net assets - Consists of net assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net assets - All other net assets not meeting the definition of “restricted” or “invested in capital assets, net of related debt.”

##### Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Government fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the county.

*Nonspendable fund balance* includes amounts that cannot be spent. This includes amounts that are either not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds from the collection of those receivables or from the sale of those properties are restricted, committed or assigned) or amounts that are legally or contractually required to be maintained intact, such as a principal balance of a permanent fund.

*Restricted fund balance* includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

*Unassigned fund balance* is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the county’s general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted resources are available, and amounts in any of these unrestricted classifications could be used, it is the county’s general policy to spend unassigned resources first.

#### K. Property Tax Revenues.

Numerous statutes exist under which the Board of Supervisors may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the county. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

# AMITE COUNTY

## Notes to the Financial Statements For the Year Ended September 30, 2011

The Board of Supervisors, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectibility criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

### L. Intergovernmental Revenues in Governmental Funds.

Intergovernmental revenues, consisting of grants, entitlements and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the "available" criterion applies for certain federal grants and shared revenues when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

### M. Compensated Absences.

The county has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements and Proprietary Funds financial statements. In fund financial statements, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

### (2) Changes in Accounting Standards.

For the fiscal year ended September 30, 2011, the county implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The fund balance amounts for governmental funds have been classified in accordance with GASB Statement No. 54. As a result, amounts previously reported as reserved and unreserved are now reported as nonspendable, restricted, committed, assigned, or unassigned.

### (3) Prior Period Adjustments.

#### Exhibit 2 - Statement of Activities – Governmental Activities.

Explanation	Amount
To correct errors in the recording of prior year capital assets – Governmental Activities	\$ 35,546
To correct an error in the recording of prior year fines receivables – Governmental Activities	
	233,092
Total prior period adjustments	\$ 268,638

# AMITE COUNTY

## Notes to the Financial Statements For the Year Ended September 30, 2011

Exhibit 2 - Statement of Activities – Business-Type Activities &  
Exhibit 6 - Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Fund.

Explanation	Amount
To correct errors in the recording of prior year Capital assets – Business-type Activities	\$ <u>3,428</u>

### (4) Deposits.

The carrying amount of the county's total deposits with financial institutions at September 30, 2011, was \$5,518,233, and the bank balance was \$5,544,620. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

**Custodial Credit Risk - Deposits.** Custodial credit risk is the risk that in the event of the failure of a financial institution, the county will not be able to recover deposits or collateral securities that are in the possession of an outside party. The county does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the county. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the county.

### (5) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2011:

#### A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Solid Waste	\$ 7,441
Other Governmental Funds	General Fund	35,709
Agency Funds	General Fund	<u>6,803</u>
Total		\$ <u>49,953</u>

The Solid Waste Fund payable is the indirect administrative cost incurred during the year. The receivables represent the tax revenue collected but not settled until October, 2011. All interfund balances are expected to be repaid within one year from the date of the financial statements.

#### B. Advances from/to Other Funds:

Receivable Fund	Payable Fund	Amount
General	Solid Waste	\$ <u>6,708</u>

The amount due to the General Fund from the Solid Waste Fund represents indirect administrative costs incurred in previous fiscal years that have never been paid to the General Fund.

AMITE COUNTY

Notes to the Financial Statements  
For the Year Ended September 30, 2011

C. Transfers In/Out:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Other Governmental Funds	Other Governmental Funds	\$ <u>281,446</u>

The principal purpose of interfund transfers was to provide funds for grant matches or to provide funds to pay for capital outlay. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(6) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2011, consisted of the following:

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative tax credit	\$ <u>77,797</u>

(7) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2011:

**Governmental activities:**

	<u>Balance Oct. 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments*</u>	<u>Balance Sept. 30, 2011</u>
<u>Non-depreciable capital assets:</u>					
Land	\$ 114,552				114,552
Total non-depreciable capital assets	114,552	0	0	0	114,552
<u>Depreciable capital assets:</u>					
Infrastructure	898,505				898,505
Buildings	2,323,263				2,323,263
Mobile equipment	5,192,075		35,638	(64,788)	5,221,225
Furniture and equipment	753,306	11,410		13,805	778,521
Leased property under capital leases	939,552			(112,868)	826,684
Total depreciable capital assets	10,106,701	11,410	35,638	(34,275)	10,048,198
<u>Less accumulated depreciation for:</u>					
Infrastructure	220,844	31,499			252,343
Buildings	1,258,534	35,267			1,293,801
Mobile equipment	4,284,920	144,609	32,073	(30,336)	4,367,120
Furniture and equipment	478,854	57,355		1,155	537,364
Leased property under capital leases	245,435	26,695		(40,640)	231,490
Total accumulated depreciation	6,488,587	295,425	32,073	(69,821)	6,682,118



AMITE COUNTY

Notes to the Financial Statements  
For the Year Ended September 30, 2011

	Balance Oct. 1, 2010	Additions	Deletions	Adjustments*	Balance Sept. 30, 2011
Total depreciable capital assets, net	3,618,114	(284,015)	3,565	35,546	3,366,080
Governmental activities capital assets, net	\$ 3,732,666	(284,015)	3,565	35,546	3,480,632
<b>Business-type activities:</b>					
	Balance Oct. 1, 2010	Additions	Deletions	Adjustments*	Balance Sept. 30, 2011
<u>Non-depreciable capital assets:</u>					
Land	\$ 105,547				105,547
Total non-depreciable capital assets	105,547	0	0	0	105,547
<u>Depreciable capital assets:</u>					
Buildings	284,408				284,408
Mobile equipment	674,875			34,275	709,150
Furniture and equipment	118,194	10,590			128,784
Total depreciable capital assets	1,077,477	10,590	0	34,275	1,122,342
<u>Less accumulated depreciation for:</u>					
Buildings	108,111	5,690			113,801
Mobile equipment	468,397	68,175		30,847	567,419
Furniture and equipment	106,374	1,364			107,738
Total accumulated depreciation	682,882	75,229	0	30,847	788,958
Total depreciable capital assets, net	394,595	(64,639)	0	3,428	333,384
Business-type activities capital assets, net	\$ 500,142	(64,639)	0	3,428	438,931

\*The adjustments to mobile equipment and furniture and equipment consist of prior year corrections.

# AMITE COUNTY

## Notes to the Financial Statements For the Year Ended September 30, 2011

Depreciation expense was charged to the following functions:

	<u>Amount</u>
Governmental Activities:	
General government	\$ 60,731
Public safety	85,367
Public works	148,587
Conservation of Natural Resources	<u>740</u>
 Total governmental activities depreciation expense	 \$ <u>295,425</u>
 Business-type activities:	
Solid waste	\$ <u>75,229</u>

### (8) Claims and Judgments.

Risk Financing.

The county finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The county pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2011, to January 1, 2012. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

### (9) Capital Leases.

As Lessee:

The county is obligated for the following capital assets acquired through capital leases as of September 30, 2011:

	<u>Governmental Activities</u>
Classes of Property	
Buildings	\$ 826,684
 Less: Accumulated depreciation	 <u>231,490</u>
 Leased Property Under Capital Leases	 \$ <u>595,194</u>

The following is a schedule by years of the total payments due as of September 30, 2011:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ <u>76,024</u>	<u>4,068</u>

# AMITE COUNTY

## Notes to the Financial Statements For the Year Ended September 30, 2011

### (10) Long-term Debt.

Debt outstanding as of September 30, 2011, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. Capital Leases:			
Adult Detention Center	\$ 76,024	5.35%	11/2011

**Legal Debt Margin** - The amount of debt, excluding specific exempted debt, that can be incurred by the county is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the county, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issue bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2011, the amount of outstanding debt was equal to less than 1.00% of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2011:

	Balance Oct. 1, 2010	Additions	Reductions	Adjustments	Balance Sept. 30, 2011	Amount due within one year
<b>Governmental Activities:</b>						
Compensated absences	\$ 30,394		830		29,564	
Capital leases	200,278		124,254		76,024	76,024
Other loans	36,536		36,536		0	
Total	\$ 267,208	0	161,620	0	105,588	76,024
<b>Business-type Activities:</b>						
Compensated absences	\$ 6,411	0	2,738	0	3,673	0

Compensated absences will be paid from the funds from which the employees' salaries were paid which are generally the General Fund, Road Maintenance Fund, Central Repair Fund, and Solid Waste Fund.

### (11) Contingencies.

**Federal Grants** - The county has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the county. No provision for any liability that may result has been recognized in the county's financial statements.

**Litigation** - The county is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the county with respect to the various proceedings. However, the county's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the county.

## AMITE COUNTY

### Notes to the Financial Statements For the Year Ended September 30, 2011

#### (12) Joint Ventures.

The county participates in the following joint ventures:

Amite County is a participant with the Counties of Pike and Walthall in a joint venture, authorized by Section 39-3-11, Miss. Code Ann. (1972), to operate the Pike-Amite-Walthall Regional Library System. The joint venture was created to provide library service for the three counties and is governed by five board members. The Counties of Amite and Pike appoint two board members each and Walthall County appoints one board member. By contractual agreement, the county's appropriation to the joint venture was \$92,204 in fiscal year 2011. Complete financial statements for the Pike-Amite-Walthall Regional Library System can be obtained from 1022 Virginia Avenue, McComb, MS 39648.

Amite County is a participant with Pike County and the City of McComb in a joint venture, authorized by Section 41-13-15, Miss. Code Ann. (1972), to operate the Southwest Mississippi Regional Medical Center. The joint venture was created to provide medical services for the residents of the local area and is governed by seven board members. Amite County appoints one board member, while Pike County and the City of McComb appoint two members individually and jointly they appoint two members. The hospital is basically self-supporting. However, the counties and city have the power to approve or disapprove the hospital's budget and are authorized to levy taxes for the maintenance and operation of the hospital. Complete financial statements for the Southwest Mississippi Regional Medical Center can be obtained from 215 Marion Avenue, McComb, MS 39648.

Amite County is a participant with Wilkinson County in a joint venture, authorized by Section 41-13-15, Miss. Code Ann. (1972), to operate the Field Memorial Community Hospital. The joint venture was created to provide medical services for the residents of the local area and is governed by five board members. Amite County appoints two board members, while Wilkinson County appoints three members. The hospital is basically self-supporting. However, the counties and city have the power to approve or disapprove the hospital's budget and are authorized to levy taxes for the maintenance and operation of the hospital. Complete financial statements for the Field Memorial Community Hospital can be obtained from 270 West Main Street, Centreville, MS 39631.

#### (13) Jointly Governed Organizations.

The county participates in the following jointly governed organizations:

Southwest Mississippi Planning and Development District operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Amite County Board of Supervisors appoints four of the 40 members of the board of directors. The county contributes a small percentage of the district's total revenue. The county appropriated \$22,530 for support of the district in fiscal year 2011.

Southwest Mississippi Mental Health Complex operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Amite County Board of Supervisors appoints one of the ten members of the board of commissioners. The county appropriated \$24,877 for its support in fiscal year 2011.

Southwest Mississippi Community College operates in a district composed of the Counties of Amite, Pike, Walthall and Wilkinson. The Amite County Board of Supervisors appoints three of the 14 members of the college board of trustees. The county appropriated \$395,337 for the operation and maintenance of the college in fiscal year 2011.

Southwest Mississippi Partnership Development Corp. operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The entity is governed by ten members, appointed by each county's lead industrial foundation or chamber of commerce. If no industrial foundation or chamber of commerce is present, the member is appointed by the county's Board of Supervisors. The county appropriated \$2,720 for its support in fiscal year 2011.

## AMITE COUNTY

### Notes to the Financial Statements For the Year Ended September 30, 2011

#### (14) Defined Benefit Pension Plan.

Plan Description. Amite County, Mississippi, contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Funding Policy. At September 30, 2011, PERS members were required to contribute 9% of their annual covered salary, and the county is required to contribute at an actuarially determined rate. The rate at September 30, 2011 was 12% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The county's contributions (employer share only) to PERS for the years ending September 30, 2011, 2010 and 2009 were \$239,876, \$233,924 and \$218,601, respectively, equal to the required contributions for each year.

AMITE COUNTY

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AMITE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

AMITE COUNTY  
Budgetary Comparison Schedule -  
Budget and Actual (Non-GAAP Basis)  
General Fund  
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 1,923,300	1,931,184	1,985,253	54,069
Licenses, commissions and other revenue	97,500	141,259	138,340	(2,919)
Fines and forfeitures	270,000	341,486	341,486	
Intergovernmental revenues	470,000	947,728	609,100	(338,628)
Charges for services	15,000	51,949	51,949	
Interest income	36,000	30,700	30,700	
Miscellaneous revenues	27,000	36,191	32,536	(3,655)
Total Revenues	<u>2,838,800</u>	<u>3,480,497</u>	<u>3,189,364</u>	<u>(291,133)</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,913,700	1,846,628	1,846,691	(63)
Public safety	1,088,800	1,108,944	1,107,859	1,085
Health and welfare	114,830	120,924	115,608	5,316
Education	92,204	92,204	92,204	
Conservation of natural resources	69,440	98,412	67,490	30,922
Economic development and assistance	67,659	68,159	19,173	48,986
Debt service:				
Principal	81,000	7,928	7,928	
Total Expenditures	<u>3,427,633</u>	<u>3,343,199</u>	<u>3,256,953</u>	<u>86,246</u>
Excess of Revenues over (under) Expenditures	<u>(588,833)</u>	<u>137,298</u>	<u>(67,589)</u>	<u>(204,887)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Other financing sources	350,000			
Other financing uses	(300,000)			
Total Other Financing Sources and Uses	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(538,833)	137,298	(67,589)	(204,887)
Fund Balances - Beginning	<u>2,398,200</u>	<u>2,453,292</u>	<u>2,453,291</u>	<u>(1)</u>
Fund Balances - Ending	<u>\$ 1,859,367</u>	<u>2,590,590</u>	<u>2,385,702</u>	<u>(204,888)</u>

The accompanying notes to the Required Supplementary Information are an integral part of this statement.



# AMITE COUNTY

## Notes to the Required Supplementary Information For the Year Ended September 30, 2011

### A. Budgetary Information.

Statutory requirements dictate how and when the county's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the county, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor-Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

The county's budget is prepared principally on the cash basis of accounting. All appropriations lapse at year end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

### B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (Non-GAAP Basis) and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and each major Special Revenue Fund. The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplemental information.

### C. Budget/GAAP Reconciliation.

The major differences between the budgetary basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund:

	<u>Governmental Fund</u>
	<u>General Fund</u>
Budget (Cash Basis)	\$ (67,589)
Increase (Decrease)	
Net adjustments for revenue accruals	514
Net adjustments for expenditure accruals	<u>(82,583)</u>
GAAP Basis	<u>\$ (149,658)</u>

AMITE COUNTY

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## AMITE COUNTY

## SPECIAL REPORTS

AMITE COUNTY

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE  
FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the Board of Supervisors  
Amite County, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Amite County, Mississippi, as of and for the year ended September 30, 2011, which collectively comprise the county's basic financial statements and have issued our report thereon dated September 28, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the county is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Amite County, Mississippi's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the county's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

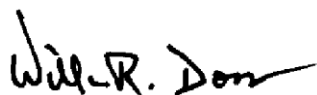
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as 11-1 to be a material weakness.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Amite County, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Amite County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit Amite County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Will R. Doss". The signature is written in a cursive, flowing style.

WILLIAM R. DOSS, CPA  
Director, Financial and Compliance Audit Division

September 28, 2012



**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

**INDEPENDENT AUDITOR'S REPORT ON CENTRAL PURCHASING SYSTEM,  
INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES  
(REQUIRED BY SECTION 31-7-115, MISS. CODE ANN. (1972))**

Members of the Board of Supervisors  
Amite County, Mississippi

We have examined Amite County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2011. The Board of Supervisors of Amite County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

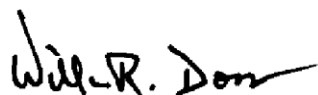
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Amite County, Mississippi, has established centralized purchasing for all funds of the county and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

In our opinion, Amite County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2011.

The accompanying schedules of (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source are presented in accordance with Section 31-7-115, Miss. Code Ann. (1972). The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination of the purchasing system and, in our opinion, is fairly presented, in all material respects when considered in relation to that examination.

This report is intended for use in evaluating the central purchasing system and inventory control system of Amite County, Mississippi, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.

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WILLIAM R. DOSS, CPA  
Director, Financial and Compliance Audit Division

September 28, 2012



AMITE COUNTY

Schedule 1

Schedule of Purchases Not Made From the Lowest Bidder

For the Year Ended September 30, 2011

Our test results did not identify any purchases from other than the lowest bidder.

AMITE COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2011

Schedule 2

Our test results did not identify any emergency purchases.

AMITE COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source  
For the Year Ended September 30, 2011

Our test results did not identify any purchases made noncompetitively from a sole source.

AMITE COUNTY

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

**LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT**

Members of the Board of Supervisors  
Amite County, Mississippi

In planning and performing our audit of the financial statements of Amite County, Mississippi for the year ended September 30, 2011, we considered Amite County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Amite County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the county's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated September 28, 2012, on the financial statements of Amite County, Mississippi.

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of the internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the entity and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.

WILLIAM R. DOSS, CPA  
Director, Financial and Compliance Audit Division

September 28, 2012

AMITE COUNTY

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AMITE COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

AMITE COUNTY

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AMITE COUNTY

Schedule of Findings and Responses  
For the Year Ended September 30, 2011

Section 1: Summary of Auditor's Results

***Financial Statements:***

- |    |  |               |
|----|--|---------------|
| 1. | Type of auditor's report issued on the financial statements: | Unqualified   |
| 2. | Internal control over financial reporting:                   |               |
| a. | Material weakness identified?                                | Yes           |
| b. | Significant deficiency identified?                           | None reported |
| 3. | Noncompliance material to the financial statements noted?    | No            |

Section 2: Financial Statement Findings

Board of Supervisors.

Material Weakness

- 11-1. The county should implement controls to ensure preparation of its financial statements.

Finding

A critical aspect of effective financial management is the preparation of accurate financial statements. As reported in the prior year audit report, management does not have personnel who possess the necessary training to prepare financial statements in accordance with generally accepted accounting principles. Amite County's accounting records are maintained on the cash basis and the auditors assisted in the preparation of accrual entries and the primary government financial statements. However, the County has made all management decisions including approving accrual entries, designating an individual with a basic understanding of the financial statements and related note disclosures to oversee the financial statement preparation; evaluating the adequacy and results of the services performed and accepting responsibility of the results of the services.

Recommendation

The Board of Supervisors should establish adequate controls and procedures to ensure that financial statements and note disclosures are prepared in accordance with generally accepted accounting principles

Board of Supervisors' Response

We will comply.

AMITE COUNTY

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